



FOR IMMEDIATE RELEASE
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TWO ARIZONA RESIDENTS CHARGED IN 2.3 MILLION DOLLAR CORPORATE FRAUD

PHOENIX Ariz. -- A federal grand jury in Phoenix, Ariz. returned a ten count indictment against Anthony Ambrose McCutcheon, age 45, of Gilbert, Arizona; and Warren Joseph Rice, age 41, of Tucson for one count of Conspiracy to Commit Mail and Wire Fraud and nine counts of Wire Fraud.

The indictment alleges that during the period of the conspiracy, August 12, 1997 through February 2, 2006, McCutcheon was the Director of First Data Resources, Incorporated's Data Center located in Chandler, Arizona. The Chandler Data Center's primary line of business was the processing and preparation of data relating to financial transactions. The Chandler Data Center carried out its business through the operation of a very large number of computers capable of processing very large numbers of individual financial transactions on behalf numerous accounts. The Chandler Data Center is a branch facility for First Data Resources, Incorporated, Omaha, Nebraska. First Data Resources, Incorporated, is a subsidiary of First Data Corporation, Denver, Colorado. In furtherance of the conspiracy, McCutcheon and Rice devised a scheme to defraud both corporations by making false representations that a third sham company they operated and called "Andalusia Companies," of Tucson and Chandler, Arizona, was an entity that could provide goods and services First Data Resources, Incorporated, needed to maintain and operate its Chandler Data Center in exchange for money. However, McCutcheon and Rice both knew that no such goods and services were ever to be provided. The sham "company" appears to have been no more than a post office box and a stack of preprinted invoices.

Upon submission of the fraudulent invoices, McCutcheon would then guide them through his employer's payment authorization process. Upon final authorization of payment for the fraudulent invoices by unsuspecting personnel working with McCutcheon, payments were then made to Andalusia Companies. Throughout the conspiracy, McCutcheon and Rice obtained total payments of approximately \$2,316,869.55 from First Data Resources, Incorporated, and First Data Corporation by means of mail fraud and wire fraud.

A conviction for Conspiracy to Commit Mail and Wire Fraud carries a maximum penalty of five (5) years in prison, a \$250,000.00 fine or both. Each conviction for Wire Fraud in this case carries a maximum penalty of twenty (20) years in prison, a \$250,000.00 fine or both. In determining an actual sentence, Judge Martone will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

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The investigation preceding the indictment was conducted by the United States Postal Inspection Service. The prosecution is being handled by Frederick A. Battista, Assistant U.S. Attorney, District of Arizona, Phoenix, Ariz.

CASE NUMBER: CR-07-870-PHX-FJM
RELEASE NUMBER: 2007-169(McCutcheon)

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